

RECORDATION NO.

18962-A
FILED

LAW OFFICES

MILES & STOCKBRIDGE P.C.

10 LIGHT STREET

BALTIMORE, MARYLAND 21202-1487

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CAMBRIDGE, MD

COLUMBIA, MD

EASTON, MD

FREDERICK, MD

NOV 29 '99

9-35 AM

McLEAN, VA

ROCKVILLE, MD

TOWSON, MD

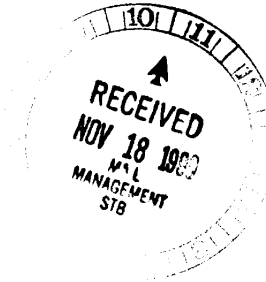
WASHINGTON, D.C.

Dawn Sargent Arnold
Telephone: 410-385-3406
E-Mail: darnold@milesstockbridge.com

November 17, 1999

VIA FEDERAL EXPRESS

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001
Attention: Mr. Vernon A. Williams, Secretary



Re: **Loan and Security Agreement Modification Agreement**

Dear Mr. Williams:

Enclosed for recordation as a secondary document pursuant to the provisions of 49 U.S.C. Section 11301 (a), are one original and one notarized copy of a **Loan and Security Agreement Modification Agreement**, dated November 15, 1999. The original Loan Agreement, Chattel Mortgage and Security Agreement was filed on September 1, 1994 as recordation number 18962. I have enclosed a copy of the first page of the recorded 1994 agreement for your convenience.

The name and addresses of the parties to the enclosed document are:

Lender: Allfirst Bank (f/k/a The First National Bank of Maryland)
25 South Charles Street
Baltimore, Maryland 21201

Borrower: Radnor Rail, Ltd.
(Successor by merger of Radnor Associates, Ltd.)
150 Strafford Avenue, Suite 112
Radnor, Pennsylvania 19087-3184

A description of the railroad equipment covered by the enclosed document is:

Eighty-six (86) 100-ton mill-type steel gondola railcars bearing the reporting marks and road numbers set forth on Exhibit A attached to the Loan and Security Agreement Modification Agreement.

BALT01:291749|258-001402

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Surface Transportation Board
11/17/99
Page 2

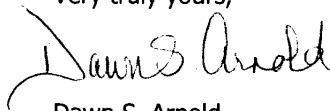
MILES & STOCKBRIDGE
A PROFESSIONAL CORPORATION

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copy of the enclosed document to the undersigned.

Thank you for your kind attention to this matter. Should you have any questions, please do not hesitate to call me at 410-385-3406.

Very truly yours,

A handwritten signature in cursive script that reads "Dawn S. Arnold".

Dawn S. Arnold
Legal Assistant

Enclosures

• 18962

RECORDATION NO. _____ FILED 1425

SEP 1 1994 -2 50 PM

INTERSTATE COMMERCE COMMISSION

LOAN AGREEMENT,
CHattel MORTGAGE AND SECURITY AGREEMENT

Dated as of August 29, 1994

between

THE FIRST NATIONAL BANK OF MARYLAND

and

RADNOR ASSOCIATES, LTD.

Covering
86 100-Ton Mill-Type Steel Gondola Cars

Filed and recorded with the Interstate Commerce Commission pursuant
to the Interstate Commerce Act, 49 U.S.C. 11303 on August __, 1994,
at _____.m., under Recordation No. _____.

1004
1004

STATE OF MARYLAND
SS:
CITY OF BALTIMORE

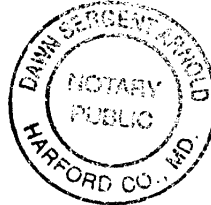
THIS IS TO CERTIFY that the attached Loan and Security Agreement Modification Agreement is a true and complete copy of said Loan and Security Agreement Modification Agreement.

WITNESS my hand and seal this 17th day of November, 1999.

Dawn Sergeant Arnold
Notary Public

My Commission Expires:

My Commission Expires 05/26/2002



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RECORDATION NO.

FILED

NOV 29 '99

9-35 AM

LOAN AND SECURITY AGREEMENT MODIFICATION AGREEMENT

THIS LOAN AND SECURITY AGREEMENT MODIFICATION AGREEMENT (this "Agreement") is made as of this 15th day of November, 1999, by and between RADNOR RAIL, LTD., a Pennsylvania corporation and ALLFIRST BANK (formerly known as The First National Bank of Maryland) (the "Lender"), witnesseth:

RECITALS

A. The Lender made a loan to Radnor Associates, Ltd., a Pennsylvania corporation (the "Borrower") in the principal amount of \$1,548,000 ("Financial Accommodations") pursuant to the terms and conditions of a Loan Agreement, Chattel Mortgage and Security Agreement dated August 29, 1994 (the "Loan and Security Agreement") by and between the Borrower and the Lender and as evidenced by a Non-Recourse Promissory Note dated August 29, 1994, from the Borrower to the Lender (the "First Note") and Non-Recourse Promissory Note dated December 12, 1994 from the Borrower to the Lender (the "Second Note"), the principal amounts of the First Note and the Second Note being equal to the principal amount of the Financial Accommodations.

B. The Loan and Security Agreement was filed and recorded with the Interstate Commerce Commission pursuant to the Interstate Commerce Act, 49 U.S.C. 11303 on September 1, 1994 at 2:50 P.M., under Recordation No. 18962.

C. On June 23, 1999, the Borrower merged with and into Radnor Rail, Ltd., a Pennsylvania corporation (the "Successor of Borrower"), pursuant to which the Successor of Borrower assumed all of the obligations and all property of the Borrower formerly vested in the Borrower.

D. Pursuant to Acknowledgement of Loan Obligation and Security Agreement (the "Acknowledgement Agreement") between the Successor of Borrower and the Lender dated November 15, 1999, the Successor of Borrower acknowledged that it is obligated to perform all of the Borrower's obligations to the Lender under the Loan and Security Agreement.

E. The Successor of Borrower and the Lender desire to amend certain provisions of the Loan and Security Agreement.

TERMS

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Successor of Borrower and the Lender hereby agree as follows:

1. The facts set forth above are true and accurate in each respect.
2. The Loan and Security Agreement is hereby amended as follows: Schedule I attached to the Loan and Security Agreement is removed and substituted in lieu thereof with Revised Schedule I attached hereto as Exhibit A.

3. The Successor of Borrower will execute such confirmatory instruments with respect to the Loan and Security Agreement as the Lender may require.

5. Except as provided in Agreement of Consent and Waiver between the Successor of Borrower and the Lender dated November 15, 1999, the Successor of Borrower ratifies and confirms all of its liabilities and obligations under the Loan and Security Agreement and agrees that, except as expressly modified in this Agreement, the Loan and Security Agreement continues in full force and effect as set forth specifically herein. The Successor of Borrower and the Lender agree that this Agreement shall not be construed as an agreement to extinguish the original obligations under the Loan and Security Agreement and shall not constitute a novation as to the obligations under the Loan and Security Agreement assumed by the Successor of Borrower in the Acknowledgement Agreement.

6. This Agreement may not be amended, changed, modified, altered, or terminated without in each instance the prior written consent of the Lender. This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland.

7. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one agreement

[SIGNATURES APPEAR OF NEXT PAGE]

IN WITNESS WHEREOF, the Successor of Borrower and the Lender have caused this Agreement to be executed under seal as of the date first above written.

WITNESS/ATTEST:

ALLFIRST BANK
(formerly known as The First National Bank of Maryland)

Busalskeel.

By: [Signature] (SEAL)
Christopher A. Pistell
Vice President

RADNOR RAIL, LTD.

By: [Signature] (SEAL)
Name: Kent Zehner
Title: President

STATE OF Pennsylvania, CITY OF Kayne, TO WIT:

On this 12th day of November, 1999, before me personally appeared Kent S. Zehner, to me personally known, who being by me duly sworn, says that he is the President of RADNOR RAIL, LTD., a Pennsylvania corporation, that seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, by authority of its Board of Directors, and that he acknowledged that the execution of the foregoing instruments was the free act and deed of said corporation.

IN WITNESS WHEREOF I have set my hand and seal.

[Signature]
Notary Public

(SEAL)

My Commission Expires:

Notarial Seal
Karen W. Maffei, Notary Public
Radnor Twp., Delaware County
My Commission Expires Dec. 4, 2000
Member, Pennsylvania Association of Notaries

STATE OF Maryland, CITY OF Baltimore, TO WIT:

On this 15th day of November, 1999, before me personally appeared Christopher A. Pistell, to me personally known, who being by me duly sworn, says that he is the Vice President of ALLFIRST BANK, that seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed on behalf of said association, by authority of its Board of Directors, and that he acknowledged that the execution of the foregoing instruments was the free act and deed of said association.

IN WITNESS WHEREOF I have set my hand and seal.



Notary Public

(SEAL)

My Commission Expires:

Roger Weaver, Notary Public
State of Maryland
Commission expires Jan. 1, 2003

Exhibit A

REVISED SCHEDULE I

OLD NUMBER	NEW NUMBER	OLD NUMBER	NEW NUMBER	OLD NUMBER	NEW NUMBER
362522	KCS 899 <u>050</u>	C&O 365032	KCS 899 <u>075</u>	WM 58003	KCS 899 <u>112</u>
366162	KCS 899 <u>051</u>	C&O 365036	KCS 899 <u>076</u>	WM 58019	KCS 899 <u>113</u>
366690	KCS 899 <u>052</u>	C&O 365063	KCS 899 <u>077</u>	WM 58020	KCS 899 <u>114</u>
366737	KCS 899 <u>053</u>	C&O 365064	KCS 899 <u>078</u>	WM 58021	KCS 899 <u>115</u>
366885	KCS 899 <u>054</u>	C&O 365073	KCS 899 <u>079</u>	WM 58036	KCS 899 <u>116</u>
366905	KCS 899 <u>055</u>	C&O 365137	KCS 899 <u>080</u>	WM 58043	KCS 899 <u>117</u>
367102	KCS 899 <u>056</u>	C&O 365190	KCS 899 <u>081</u>	WM 58047	KCS 899 <u>118</u>
368014	KCS 899 <u>057</u>	C&O 365216	KCS 899 <u>082</u>	WM 58049	KCS 899 <u>119</u>
368018	KCS 899 <u>058</u>	C&O 365253	KCS 899 <u>083</u>	WM 58051	KCS 899 <u>120</u>
368068	KCS 899 <u>059</u>	C&O 365265	KCS 899 <u>084</u>	WM 58052	KCS 899 <u>121</u>
368075	KCS 899 <u>060</u>	C&O 365293	KCS 899 <u>085</u>	WM 58054	KCS 899 <u>122</u>
368198	KCS 899 <u>061</u>	C&O 365314	KCS 899 <u>086</u>	WM 58055	KCS 899 <u>123</u>
368243	KCS 899 <u>062</u>	C&O 365334	KCS 899 <u>087</u>	WM 58057	KCS 899 <u>124</u>
368252	KCS 899 <u>063</u>	C&O 365383	KCS 899 <u>088</u>	WM 58058	KCS 899 <u>125</u>
368270	KCS 899 <u>064</u>	C&O 365399	KCS 899 <u>089</u>	WM 58060	KCS 899 <u>126</u>
368274	KCS 899 <u>065</u>	C&O 365404	KCS 899 <u>090</u>	WM 58067	KCS 899 <u>127</u>
368304	KCS 899 <u>066</u>	C&O 365456	KCS 899 <u>091</u>	WM 58105	KCS 899 <u>128</u>
368307	KCS 899 <u>067</u>	C&O 365463	KCS 899 <u>092</u>	WM 58107	KCS 899 <u>129</u>
368326	KCS 899 <u>068</u>	C&O 365495	KCS 899 <u>093</u>	WM 58109	KCS 899 <u>130</u>
368360	KCS 899 <u>069</u>	C&O 365514	KCS 899 <u>094</u>	WM 58110	KCS 899 <u>131</u>
368385	KCS 899 <u>070</u>	C&O 365550	KCS 899 <u>095</u>	WM 58155	KCS 899 <u>132</u>
368386	KCS 899 <u>071</u>	C&O 365555	KCS 899 <u>096</u>	WM 58166	KCS 899 <u>133</u>
368389	KCS 899 <u>072</u>	C&O 365557	KCS 899 <u>097</u>	WM 58168	KCS 899 <u>134</u>
368399	KCS 899 <u>073</u>	C&O 365618	KCS 899 <u>098</u>	WM 58180	KCS 899 <u>135</u>
368447	KCS 899 <u>074</u>	C&O 365654	KCS 899 <u>099</u>	WM 58189	KCS 899 <u>136</u>
		C&O 365659	KCS 899 <u>100</u>		
		C&O 365727	KCS 899 <u>101</u>		
		C&O 365734	KCS 899 <u>102</u>		
		C&O 365764	KCS 899 <u>103</u>		
		C&O 365797	KCS 899 <u>104</u>		
		C&O 365802	KCS 899 <u>105</u>		
		C&O 365827	KCS 899 <u>106</u>		
		C&O 365891	KCS 899 <u>107</u>		
		C&O 365922	KCS 899 <u>108</u>		
		C&O 365925	KCS 899 <u>109</u>		
		C&O 365969	KCS 899 <u>110</u>		

As cars are delivered into service, the old numbers noted above shall be translated into new numbers beginning with the sequence of KCS 899050. As such numbers are determined, this table shall be modified accordingly.